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Your Dinner Conversation With Chinese

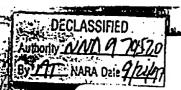
Herewith a few impressions of your meeting last night. We will send you a more thorough analysis once we have gone over the full transcript.

There were some reassuring aspects to the evening:

- -- The mood was good/relaxed--but then it usually is with Chiao, and he was bound to seem friendly in comparison with the tactiturn Teng.
- -- Chiao was quick to reaffirm that the Soviets remain enemy #1 when you twitted him on his speech. The anti-Soviet theme as usual dominated the global discussion, and the Chinese continued to make clear that the geopolitical situation is what counts in our relations, not the bilateral content.
- -- Thus their attitude was predictable on each of the regional topics: scorn over Soviet antics on Cyprus; praise of your Middle East erosion of Soviet influence; concern about Soviet maneuvering in South Asia; welcoming our improved relations with Europe and Japan.
- -- Chiao also took the initiative to state, early in the dinner, that Peking believed in the basic continuity of our policy despite our domestic changes and turmoil.

Despite these points, however, one comes away from the evening with a slight uneasiness.

-- In brief, a more distinct pattern is emerging of the



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Chinese simultaneously encouraging us to counter-balance Soviet geopolitical influence around the world and attacking us for superpower hegemonial appetite in their play to the "third world". We are expected to balance off Moscow for them over the near term while they organize a third force against us for the longer haul.

- -- To a point we can be relaxed about this. We are each using each other unsentimentally, we each know it, and it serves our mutual interests. Thus we can live with some purple rhetoric in multilateral forums and their championing of issues like 200 mile territorial waters.
- -- But they are adding new dimensions to their posturing on behalf of the downtrodden that are potentially more worrisome. For example, is it really in their geopolitical interest to see the U.S., Europe and Japan severely enfeebled by the pressures of the oil producers? And similarly do they really want to see a "Second World" of Europe and Japan split off from us?
- -- Perhaps more significant is the increasing Chinese unhelpfulness on third country issues that could spill over into our bilateral relations. On Cambodia, where they have the votes and Sihanouk in their capital, Chiao unsurprisingly stonewalled us. On Korea -- while basically well disposed--he made it

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obvious that Peking is not about to lean on its friends, even though failure to do so means some confrontation with us.

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- -- In short, the rhetoric in Chiao's speech and their attitude on some of these specific issues suggests they are satisfied to let some of the "contradictions" in third areas simmer and , they are giving somewhat higher priority to their third world/ideological interests. Your post-dinner jab at their so-called powerlessness to influence small countries was well taken.
- -- Their approach on Taiwan/normalization needs much more study before reaching any conclusions. There is probably some gamesmanship in their alleged patience on diplomatic relations; they know we have committed ourselves to a timetable, and Mao/ Chou must want to institutionalize our relations for anti-Soviet purposes before they pass from the scene. Chiao clearly did not have authority to do more than listen and repeat Mao's line very faithfully. He did not reject the idea of a Liaison Office (but that doesn't mean we'll get it). He made it clear that it will be difficult to get a statement of peaceful intent on Taiwan out of them, probably easier to get a statement of patience. You laid out our concerns (and why they should share some of them) very effectively for your November trip. We may well have to give them a choice on that visit of easing some of our problems or agreeing that the potential contentiousness of completing normalization makes it in both our interests to slip the timetable.

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-- Overall the prospects for the Thanksgiving stay in Peking do not look very promising. There may be a deadlock on normalization. There will almost certainly not be very much movement on bilateral areas like trade and exchanges. And the Chinese seem unwilling to be helpful on third country issues.

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